

**2005 INDEPENDENT AGING AGENDA EVENT POLICY RECOMMENDATIONS**

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**SESSION LEADERS:**

**Jodi Lyons** (contact info above)  
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The purpose of our event was to have an open discussion about preparing for old age taking into account quality of life and lifestyle in addition to medical care. Our program was unique because we focused on people who had significant financial resources.

**OUR PRIMARY AUDIENCE:**

Was middle-class to high-net worth individuals who will not be/are not solely dependent on Medicare. This cohort has drastically different needs/desires than the seniors who traditionally have been served. Many of the Baby Boomers have financial resources, have attained a comfortable lifestyle, and should not be forced to give up their choices and quality of life simply because they have grown older.

This was not a discussion focused on increasing entitlements. While we greatly appreciate the importance of Medicare and Medicaid to take care of those who cannot take care of themselves, we are concerned about the number of people who can take care of themselves who use Medicaid spend-down as a financial plan. In our minds, there is a difference between those who cannot take care of themselves and those who choose not to do so.

**OUR GOAL:**

Was two-fold. First, we wanted to develop a clear picture of what people want their retirement through extreme old age years to look like. Second, we wanted to develop clear recommendations to encourage people to take responsibility for themselves and their families.

**WHCOA ISSUES OR POLICIES ADDRESSED:**

1. Our community: livable communities and Long-Term Living, access to supportive services, housing, home care and institutional care.
2. Social Engagement: leisure activities, lifelong learning
3. Planning along the Lifespan: continuing caregiving responsibilities and long-term care insurance, tax incentives

## **THE RESULTS:**

### Goals:

We want to make sure that:

1. The financial safety nets are firmly in place for those who need them
2. Government incentive programs are reshaped so that those who have the ability to take financial responsibility for themselves and their families are actively encouraged to do so.
3. The quality of life and lifestyle that the Baby Boomers have worked so hard to achieve is preserved throughout their lifespan.
4. Seniors have the opportunity to remain active, integral parts of society as long as they choose.
5. The eldercare options available truly represent options that the Baby Boomers themselves see as appropriate options.
6. The quality of care is never compromised and that consumers themselves have the ability and knowledge to choose good and appropriate care

### Beliefs/Assumptions:

All policy recommendations below reflect the following beliefs common among our participants.

1. That they want to take care of themselves and their families and do not want to rely on Medicare or Medicaid.
2. That they expect to and will continue to contribute to Medicare funding through payroll taxes, but that they do not want to count on Medicare to provide services and payments to them. Rather, they view contributing to Medicare as their social and financial obligation to protect those who cannot help themselves but not as a means of paying for their own care.
3. That they feel the current system actively discourages them from paying for themselves and their families. The recommendations below are suggestions for rectifying this.
4. Above all, they feel a financial, social and moral obligation to take care of themselves, their elderly relatives (including aunts and uncles), and their children. They do not want the government to take over these responsibilities, but they do want some support and encouragement to do so. One of our participants said, "Stop punishing the people who are trying to take responsibility for their financial future."

Many of the recommendations below deal with tax breaks, and we understand the reluctance to lower the tax base, even if only by a little. However, our recommendations will result in an overall cost savings to the government by ensuring that as many people as possible pay for their own care.

### **POLICY RECOMMENDATIONS:**

1. Provide tax credits or tax deductions for Long Term Care Insurance premiums paid by individuals for their families. We intend this to include Federal taxes, not just state taxes. The goal is the same – to encourage individuals to pay for Long Term Care Insurance premiums for their family members. We hope that the term “family members” will be defined as broadly as possible.
2. Provide significant tax breaks to developers who build high-quality, multi-service, multi-care senior housing that includes independent living, assisted living and skilled nursing care on the same campus. The break should be on the real property tax.
3. Allow Long Term Care insurance premiums to be paid from 401Ks and allow the individual to take the Long Term Care insurance policy with them if/when they change jobs or retire.
4. Sale of home exclusions in the tax code should be extended to include second homes. Individuals often need to sell their second home to take care of an ill spouse yet still need a place to live themselves.
5. Allow 401Ks or other tax-deferred funding to be used for support for activities of daily living (ADLs), not just medical care. Meaning, acknowledge the vital importance of custodial care and treat it the same way medical care is.
6. Allow seniors to delay taking the minimum required distribution from their 401K until they need it, not at a pre-set age.
7. Allow seniors to downsize their housing without tax penalties.
8. Allow tax credits to remodel one’s home to make it safer and more senior-friendly. Work with professional associations (such as the American Institute of Architects) to create standards one should strive for.
9. Assist charitable organizations that provide care to the elderly by making charitable contributions an above the line tax deduction. This will encourage more charitable giving.
10. As already in process, continue to raise the maximum contribution limit to 401Ks.
11. Provide oversight and/or regulation for services that allow seniors to remain self-sufficient longer: cleaning services, home repair services, home-delivered meals,

assistance with bathing, etc. These services are ripe for scam artists yet are vital for keeping seniors safe in their own homes.

12. Encourage private transportation companies to provide services to seniors. We assume that seniors will private pay for these services, but feel that there needs to be Federal encouragement for companies to develop these services. One example would be to provide tax credits to car services that will make short trips to and from doctors' appointments or the grocery store without charging a multi-hour minimum fee. We see a great need for people to retain their independence without driving their own cars.

13. Work to remove the social stigma from accepting help. We recommend the development of a public education program to let people know what kinds of eldercare options exist, what programs offer help, and how they can help. We also would like to see this program encourage socialization, nutrition, exercise and other things that promote healthy living and independence. We understand that these are marketing challenges that the community has to face, but we believe that there is a real need for the government to become involved.

### **WHAT DO OUR PARTICIPANTS EXPECT THEIR FUTURE TO LOOK LIKE?**

We asked our participants to complete a brief questionnaire three times -- the first assuming they were age 65, the second age 85, and the third age 105. The questions were identical, but the outcomes were not.

In the interest of space, we have not included the entire survey results, but highlights are below;

1. At age 65 and 85, participants believed they would be living with their spouses. At age 105, they expected to be living with their children. This means that we could see a new phenomenon -- 85 year old "kids" having their parents move in with them! This would mean the old will be taking care of the very old.

2. Most participants expected to have a primary home and a vacation home until at least age 85. They were expecting to have to sell the secondary home to pay for medical care by the age of 105, though.

3. At age 85 and 105, they were deeply concerned about having help with cooking, cleaning, and laundry. They also were concerned about their ability to receive this help from family and friends (who often are not in the same geographic area) and wanted to be able to use and pay for professional service providers.

4. They expect to be able to pay their own way at the same time that they may need to provide financial assistance to other family members.

5. They want to live in a community yet have their own housing unit (either a condo or an apartment). Meaning, they want their independence, but they want to be able to have communal meals or social activities if they want, and they want to have the peace of mind provided by having medical services on campus. This theme was common among all three surveys.

We would be pleased to provide detailed survey results (at age 65, 85 and 105) for the following areas:

- Neighbors and family
- Housing (both primary and secondary residences)
- Geographic area
- Social activities, hobbies, religion and culture
- Medical issues
- Supportive services (for Activities of Daily Living)
- Transportation
- Finances

#### **CONCLUSION:**

The session leaders, Jodi Lyons and Sue van der Linden, will be pleased to work with the Conference and/or its committees to develop an implementation plan or further develop our recommendations. Also, some participants have offered to make themselves available. Please feel free to contact us if you need further information.